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SECRET The Director of Central Intelligence Washington, D.C. 20505

National Intelligence Council

NIC #01998-88 2 June 1988

MEMORANDUM FOR: Director of Central Intelligence

VIA:

Deputy Director of Central Intelligence

FROM:

Fritz W. Ermarth

Chairman

SUBJECT:

Your Second Year...and Beyond

Here are some ideas in response to your invitation for suggestions about your second year. You may want to raise some of them during the offsite.

If novelty made for challenge during your first year, an election and transition will challenge the second. Many key intelligence issues will tend to get politicized during the election campaign: How much has Gorbachev's USSR really changed? Can a START agreement be verified? How unstable is Central America? What are the risks of war and opportunities for peace in the Middle East? We have major estimates on the books or in contemplation to address these issues. Honesty and objectivity will be our best defense against the pressures of a political campaign. But we should probably start planning the system we want to use for briefing the two candidates during the campaign. That system should expose the senior management to both candidates so as better to work with the one who wins.

As we greet a new administration, we shall face a recurring problem (policy preferences of the newcomers aside): Newcomers know even less about intelligence than experienced officials, who themselves usually know too little. We ought to consider preparing a classified briefing for new officials at the deputy assistant secretary level and up introducing them to the organizations, collection systems, publications, traffic, and means for enlisting our support.

I would expect a new administration of either party to establish more orderly and formal procedures in national security policymaking than the present one has had. This would greatly facilitate your ability to assure good support to the policy process at all levels. To maximize intelligence support and your own impact in the policy arena, in my judgment, will require you to enhance the community-nature of your role. You have a broad-gauged intelligence agency under you, CIA. But so do the Secretaries of State and Defense. Your unique authority in the policy arena derives

25X1

from your ability to elicit and represent the views of all intelligence agencies, some of which are line-subordinated to other NSC principals. To fully exert that authority requires, in my judgment, that you make broader use of the NFIB and improve the quality of its participation and activities.

At present, the only substantive (non-program/budget) business done at NFIB meetings is approval of national estimates. I shall be preparing recommendations for improving the quality of that part of the business. In addition, you could -- and I believe you should -- use NFIB, with appropriate staff support from NIOs, to solicit the views of community agencies about intelligence relating to key policy issues, e.g., Panama, being confronted at NSPGs, PRGs, etc. Awareness that you wanted their views on substance apart from finished estimates would certainly encourage principals to attend NFIB meetings or to instruct their deputies fully.

If you approve, I shall arrange with appropriate NIOs and the NFIB Secretariat to put on the agenda of the next meeting (none is currently scheduled) several items of current importance, other than estimates, for a focused discussion. Future Soviet arms control behavior, Central America, and the Middle East seem appropriate candidates. NIOs would prepare issue papers for the NFIB principals so discussion is crisp and informative.

Although it's not my responsibility, I'd like to offer a comment on your community role in programs and budgets. Since I served on the IC Staff in the late 1970s, I have the distinct impression that this role has eroded somewhat. This appears to have happened because a) Director Casey payed less attention to it than his predecessor, b) budgets were generally going up, and c) neither Congress nor the President (OMB) were pressing the DCI for resource efficiency. The second and third factors aforementioned are almost certain to change during your tenure. You will come under the kind of pressure DCIs felt in the mid-to-late 1970s to assure that cross-program and cross-agency resource tradeoffs are at least looked at. Particularly during periods of budget stringency, your influence over other agencies' through the budget is potentially quite large; they will know that no program or resource package you do not support is likely to be approved by OMB or the Congress.

Hrif M. J. marth

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